UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF TENNESSEE

BETTY S. JACKSON, derivatively on behalf of CORECIVIC, INC. (F/K/A CORRECTIONS CORPORATION OF AMERICA), Plaintiff, v. DAMON T. HININGER, DAVID M. GARFINKLE, TODD J. MULLENGER, DONNA M. ALVARADO, WILLIAM F. ANDREWS, DENNIS W. DECONCINI, ROBERT J. DENNIS, MARK A. EMKES, JOHN D. FERGUSON, JOHN R. HORNE, C. MICHAEL JACOBI, ANNE L. MARIUCCI, THURGOOD MARSHALL, JR., CHARLES L. OVERBY, JOHN R. PRANN, JR., and JOSEPH V. RUSSELL, Defendants, -and- CORECIVIC, INC. (F/K/A CORRECTIONS CORPORATION OF AMERICA), a Maryland corporation, Nominal Defendant.	Case No.: **VERIFIED SHAREHOLDER DERIVATIVE COMPLAINT** DEMAND FOR JURY TRIAL

By and through her undersigned counsel, Plaintiff Betty S. Jackson ("Plaintiff") brings this shareholder derivative action on behalf of Nominal Defendant CoreCivic, Inc. (f/k/a Corrections Corporation of America) ("CCA" or the "Company")[1] and against certain current and former officers and directors of the Company for issuing false and misleading proxy statements in violation of Section 14(a) of the Securities Exchange Act of 1934 (the "Exchange Act"), breaches of fiduciary duties, unjust enrichment, corporate waste, and insider selling. Plaintiff makes these allegations upon personal knowledge as to those allegations concerning herself and, as to all other matters, upon the investigation of counsel, which includes without limitation: (a) review and analysis of public filings made by CCA and other related parties with the SEC; (b) review and analysis of press releases and other publications disseminated by certain of the Defendants and other related non-parties; (c) review of news articles, shareholder communications, and postings on CCA's website concerning the Company's public statements; (d) pleadings, papers, and any documents filed with and publicly available from the related pending securities fraud class action, *Grae v. Corrections Corporation of America, et al.*, Case No. 3:16-cv-02267 (M.D. Tenn.) (the "Securities Class Action"); and (e) review of other publicly available information concerning CCA and the Individual Defendants (defined below).

[1] On October 28, 2016, the Company announced that it is "rebranding its corporate enterprise as CoreCivic" noting that the rebranding is "the culmination of a multi-year strategy to transform [the] business from largely corrections and detention services to a wider range of government solutions." Following this announcement, on November 10, 2016, via a Form 8-K filed by the Company with the United States Securities and Exchange Commission ("SEC"), the Company announced that on November 9, 2016, its Amended and Restated Bylaws were amended by the Company's Board of Directors ("Board") to reflect the name change.

NATURE AND SUMMARY OF THE ACTION

1. CCA, together with its subsidiaries, owns, operates, and manages prisons and other correctional and detention facilities in the United States. The Company also provides inmate residential and prisoner transportation services for governmental agencies.

2. As of 2015, CCA was the largest private corrections company in the United States, managing more than 65 correctional and detention facilities in 19 states and the District of Columbia.

3. Since at least February 27, 2012, and continuing through the present (the "Relevant Period"), the Individual Defendants made and caused the Company to make false and misleading statements concerning the Company's business model, financial prospects, and operational and compliance policies, including failing to disclose that: (i) CCA's facilities lacked adequate safety and security standards and were less effective at offering correctional services than facilities operated by the Federal Board of Prisons ("BOP"); (ii) CCA's rehabilitative services for inmates were less effective than those provided by BOP; (iii) consequently, the U.S. Department of Justice ("DOJ") was unlikely to renew or extend its contracts with the Company; and (iv) as a result of the foregoing, CCA's public statements were materially false and misleading at all relevant times.

4. The truth concerning the misconduct in the Company's business practices was concealed from shareholders until at least August 18, 2016, when Deputy Attorney General Sally Yates ("Yates") announced the DOJ's decision to end its use of private prisons, including those operated by CCA, after officials concluded that the facilities are both less safe and less effective at providing correctional services than those run by the federal government. In a

memorandum addressed to the Acting Director of the Federal Bureau of Prisons, entitled "Reducing our Use of Private Prisons," Deputy Attorney General Yates stated, in part:

> Private prisons served an important role during a difficult period, but ***time has shown that they compare poorly to our own Bureau facilities. They simply do not provide the same level of correctional services, programs, and resources; they do not save substantially on costs***; and as noted in a recent report by the Department's Office of Inspector General, ***they do not maintain the same level of safety and security***. The rehabilitative services that the Bureau provides, such as educational programs and job training, have proved difficult to replicate and outsource—and these services are essential to reducing recidivism and improving public safety.
>
> ***For all these reasons, I am eager to enlist your help in beginning the process of reducing—and ultimately ending—our use of privately operated prisons***. As you know, all of the Bureau's existing contracts with private prison companies are term-limited and subject to renewal or termination. I am directing that, as each contract reaches the end of its term, the Bureau should either decline to renew that contract or substantially reduce its scope in a manner consistent with law and the overall decline of the Bureau's inmate population.

5. As a result of the Individual Defendants' conduct, CCA's common stock traded at artificially inflated levels during the Relevant Period. In response to the DOJ announcement, the Company's stock plummeted $9.65, a decline of over 35%, to close at $17.57 on August 18, 2016.

6. But not all shareholders were harmed by the Individual Defendants' actions. During the Relevant Period, while in possession of material, adverse, non-public information, certain of the Individual Defendants unloaded their holdings of CCA stock at bloated prices, selling ***more than $33.4 million*** of personally held common stock.

7. In accordance with Maryland law, on September 8, 2016, Plaintiff made a written demand (the "Demand") that the CCA's Board investigate and take the necessary legal action against those responsible for the damages the Company has suffered. The Board has ignored the Demand and has not taken any immediate action.

8. In light of the Board's refusal to investigate the misconduct or to take action to remedy the harms caused to the Company, Plaintiff now files this Complaint. Thus, Plaintiff rightfully brings this action to vindicate CCA's rights against its wayward fiduciaries and hold them responsible for the damages they have caused to CCA.

JURISDICTION AND VENUE

9. The Court has jurisdiction over all claims under 28 U.S.C. § 1331 in that the Complaint states a federal question. The Court has supplemental jurisdiction over the state law claims asserted herein pursuant to 28 U.S.C. § 1367(a). This action is not a collusive action designed to confer jurisdiction on a court of the United States that it would not otherwise have.

10. The Court has jurisdiction over each Defendant because each Defendant is either a corporation that does sufficient business in Tennessee, or is an individual who has sufficient minimum contacts with Tennessee so as to render the exercise of jurisdiction by the Tennessee courts permissible under traditional notions of fair play and substantial justice.

11. Venue is proper in this District pursuant to 28 U.S.C. § 1391 because many of the acts and practices complained of herein occurred in this District.

12. In connection with the acts and conduct alleged herein, Defendants, directly and indirectly, used the means and instrumentalities of interstate commerce, including but not limited to the United States mails, interstate telephone communications, and the facilities of the national securities exchanges and markets.

THE PARTIES

A. Plaintiff

13. Plaintiff Betty S. Jackson has been a CCA shareholder since 2009 and is, and at all relevant times has been, a holder of CCA common stock.

B. Nominal Defendant

14. Nominal Defendant CCA is incorporated in Maryland, and the Company's principal executive offices are located at 10 Burton Hills Boulevard, Nashville, Tennessee 37215. The Company's common stock is traded on the New York Stock Exchange under the ticker symbol "CXW." The Company has more than 117 million shares outstanding.

C. Individual Defendants

15. Defendant Damon T. Hininger ("Hininger") has been CCA's Chief Executive Officer ("CEO"), President, and director since August 2009. Hininger was also a member of the Executive Committee of the Board. Hininger is a defendant in the Securities Class Action. Hininger received $2,772,435 in total compensation from CCA in 2012, $3,282,460 in total compensation from CCA in 2013, $3,666,117 in total compensation from CCA in 2014, and $3,405,317 in total compensation from CCA in 2015. During the Relevant Period, while in possession of material, non-public information, Hininger sold at least 82,585 personally held shares of CCA stock at artificially inflated prices for proceeds of more than $3.2 million.

16. Defendant David M. Garfinkle ("Garfinkle") has been the Company's Chief Financial Officer ("CFO") and Executive Vice President since May 2014. Garfinkle is a defendant in the Securities Class Action. During the Relevant Period, while in possession of material, non-public information, Garfinkle sold at least 90,363 personally held shares of CCA stock at artificially inflated prices for proceeds of over $2.8 million.

17. Defendant Todd J. Mullenger ("Mullenger") was the Company's CFO and Executive Vice President from March 2007 to May 2014. Mullenger is a defendant in the Securities Class Action. During the Relevant Period, while in possession of material, non-public

information, Mullenger sold at least 309,364 personally held shares of CCA stock at artificially inflated prices for proceeds of over $10.29 million.

18. Defendant Donna M. Alvarado ("Alvarado") has been a member of the Board since December 2003. During the Relevant Period, Alvarado was a member of the Audit Committee, the Risk Committee, the Compensation Committee, and the Nominating and Governance Committee. Alvarado received $182,946 in total compensation from CCA in 2012, $186,187 in total compensation from CCA in 2013, $234,708 in total compensation from CCA in 2014, and $201,136 in total compensation from CCA in 2015. During the Relevant Period, while in possession of material, non-public information, Alvarado sold at least 4,802 personally held shares of CCA stock at artificially inflated prices for proceeds of approximately $170,000.

19. Defendant William F. Andrews ("Andrews") was a member of the Board from August 2000 to May 2014. From 2000 to 2008, Andrews was the Chairman of the Board. During the Relevant Period, Andrews was also the Chairman of the Executive Committee. Andrews received $166,309 in total compensation from CCA in 2012, $168,718 in total compensation from CCA in 2013, and $71,381 in total compensation from CCA in 2014. During the Relevant Period, while in possession of material, non-public information, Andrews sold at least 57,000 personally held shares of CCA stock at artificially inflated prices for proceeds of more than $2.1 million.

20. Defendant Dennis W. DeConcini ("DeConcini") was a member of the Board from February 2008 to May 2014. During the Relevant Period, DeConcini was a member of the Nominating and Governance Committee. DeConcini received $178,655 in total compensation from CCA in 2012, $185,672 in total compensation from CCA in 2013, and $37,776 in total compensation from CCA in 2014. During the Relevant Period, while in possession of material,

non-public information, DeConcini sold at least 8,000 personally held shares of CCA stock at artificially inflated prices for proceeds of more than $330,000.

21. Defendant Robert J. Dennis ("Dennis") has been a member of the Board since February 2013. During the Relevant Period, Dennis was a member of the Compensation Committee and the Executive Committee. Dennis received $168,758 in total compensation from CCA in 2013, $180,308 in total compensation from CCA in 2014, and $185,736 in total compensation from CCA in 2015.

22. Defendant Mark A. Emkes ("Emkes") has been the Company's Chairman of the Board since May 2016, and has also been a member of the Board since August 2014. Emkes received $86,032 in total compensation from CCA in 2014, and $194,536 in total compensation from CCA in 2015. During the Relevant Period, Emkes was a member of the Compensation Committee and the Nominating and Governance Committee.

23. Defendant John D. Ferguson ("Ferguson") was CCA's Chairman of the Board from 2008 to May 2016, President from August 2000 to July 2008, CEO from August 2000 to October 2009, and was a director from August 2000 to May 2016. Ferguson was also a member of the Executive Committee of the Board. Ferguson announced in 2015 that he would resign from the Company in May 2016. Ferguson received $844,132 in total compensation from CCA in 2012, $909,808 in total compensation from CCA in 2013, $1,181,345 in total compensation from CCA in 2014, and $987,719 in total compensation from CCA in 2015. During the Relevant Period, while in possession of material, non-public information, Ferguson sold at least 200,000 personally held shares of CCA stock at artificially inflated prices for proceeds of more than $7.2 million.

24. Defendant John R. Horne ("Horne") was a member of the Board from December 2001 to May 2014. During the Relevant Period, Horne was a member of the Compensation Committee. Horne received $182,946 in total compensation from CCA in 2012, $188,387 in total compensation from CCA in 2013, and $36,484 in total compensation from CCA in 2014. During the Relevant Period, while in possession of material, non-public information, Horne sold at least 40,000 personally held shares of CCA stock at artificially inflated prices for proceeds of more than $1.5 million.

25. Defendant C. Michael Jacobi ("Jacobi") has been a member of the Board since December 2000. Throughout the Relevant Period, Jacobi was the chair of the Audit Committee. Jacobi received $199,174 in total compensation from CCA in 2012, $197,974 in total compensation from CCA in 2013, $198,063 in total compensation from CCA in 2014, and $208,246 in total compensation from CCA in 2015. During the Relevant Period, while in possession of material, non-public information, Jacobi sold at least 48,000 personally held shares of CCA stock at artificially inflated prices for proceeds of more than $1.8 million.

26. Defendant Anne L. Mariucci ("Mariucci") has been a member of the Board since December 2011. During the Relevant Period, Mariucci was a member of the Audit Committee and the Risk Committee. Mariucci received $173,046 in total compensation from CCA in 2012, $186,187 in total compensation from CCA in 2013, $178,208 in total compensation from CCA in 2014, and $193,099 in total compensation from CCA in 2015.

27. Defendant Thurgood Marshall, Jr. ("Marshall") has been a member of the Board since December 2002. During the Relevant Period, Marshall was a member of the Nominating and Governance Committee, and the chair of the Risk Committee. Marshall received $178,546 in total compensation from CCA in 2012, $181,787 in total compensation from CCA in 2013,

$241,975 in total compensation from CCA in 2014, and $188,936 in total compensation from CCA in 2015. During the Relevant Period, while in possession of material, non-public information, Marshall sold at least 49,964 personally held shares of CCA stock at artificially inflated prices for proceeds of more than $1.6 million.

28. Defendant Charles L. Overby ("Overby") has been a member of the Board since December 2001. During the Relevant Period, Overby was a member of the Audit Committee, the Risk Committee, and the chair of the Nominating and Governance Committee. Overby received $199,096 in total compensation from CCA in 2012, $202,337 in total compensation from CCA in 2013, $250,858 in total compensation from CCA in 2014, and $208,486 in total compensation from CCA in 2015. During the Relevant Period, while in possession of material, non-public information, Overby sold at least 12,564 personally held shares of CCA stock at artificially inflated prices for proceeds of more than $444,000.

29. Defendant John R. Prann, Jr. ("Prann") has been a member of the Board since December 2001. During the Relevant Period, Prann was a member of the Audit Committee, the Risk Committee, and the chair of the Nominating and Governance Committee. Prann received $183,772 in total compensation from CCA in 2012, $188,465 in total compensation from CCA in 2013, $175,673 in total compensation from CCA in 2014, and $199,302 in total compensation from CCA in 2015. During the Relevant Period, while in possession of material, non-public information, Prann sold at least 54,648 personally held shares of CCA stock at artificially inflated prices for proceeds of more than $1.8 million.

30. Defendant Joseph V. Russell ("Russell") was a member of the Board from 2000 to May 2016. During the Relevant Period, Russell was the Chair of the Compensation Committee, the Executive Committee, and a member of the Nominating and Governance

Committee. Russell received $223,748 in total compensation from CCA in 2012, $235,560 in total compensation from CCA in 2013, $215,465 in total compensation from CCA in 2014, and $227,242 in total compensation from CCA in 2015.

D. Non-Party

31. Stacia A. Hylton ("Hylton") is not a defendant in this action. She was appointed to serve on CCA's Board of Directors effective August 11, 2016. Hylton serves on the Nominating and Governance Committee.

E. Party Definitions

32. Defendants Hininger, Garfinkle, Mullenger, Alvarado, Andrews, DeConcini, Dennis, Emkes, Ferguson, Horne, Jacobi, Mariucci, Marshall, Overby, Prann, and Russell are sometimes referred to herein as the "Individual Defendants."

33. Defendants Hininger, Alvarado, Dennis, Emkes, Jacobi, Mariucci, Marshall, Overby, and Prann are sometimes referred to herein as the "Director Defendants."

34. Defendants Alvarado, Jacobi, Mariucci, Overby, and Prann are sometimes referred to herein as the "Audit Committee Defendants."

35. Defendants Hininger, Alvarado, Jacobi, Marshall, Overby, Prann, Andrews, DeConcini, Ferguson, Garfinkle, Mullenger, and Horne are sometimes referred to herein as the "Insider Selling Defendants."

FACTUAL ALLEGATIONS

36. CCA, together with its subsidiaries, owns, operates, and manages prisons and other correctional and detention facilities in the United States. The Company also provides inmate residential and prisoner transportation services for governmental agencies.

37. As of 2015, CCA was the largest private corrections company in the United States, managing more than 65 correctional and detention facilities in 19 states and the District of Columbia.

38. CCA was founded in 1983 and incorporated in Maryland, with executive offices located in Nashville, Tennessee.

39. On February 27, 2012, the Individual Defendants caused CCA to file its Annual Report for 2011 on Form 10-K with the SEC, announcing the Company's financial and operating results for the quarter and year ended December 31, 2011 (the "2011 10-K"). For the quarter, CCA reported net income of $40.52 million, or $0.41 per diluted share, on revenue of $439.69 million, compared to net income of $43.71 million, or $0.39 per diluted share, on revenue of $432.20 million for the same period in the prior year. For 2011, CCA reported net income of $162.51 million, or $1.54 per diluted share, on revenue of $1.73 billion, compared to net income of $157.19 million, or $1.39 per diluted share, on revenue of $1.68 billion for 2010. The 2011 10-K included the following statements:

> For the years ended December 31, 2011, 2010, and 2009, federal correctional and detention authorities represented 43%, 43%, and 40%, respectively, of our total revenue. Federal correctional and detention authorities primarily consist of the Federal Bureau of Prisons, or the BOP, the United States Marshals Service, or the USMS, and the U.S. Immigration and Customs Enforcement, or ICE.
>
> Pursuant to the terms of our management contracts, we are responsible for the overall operations of our facilities, including staff recruitment, general administration of the facilities, facility maintenance, security, and supervision of the offenders.
>
> . . .
>
> We operate our facilities in accordance with both company and facility-specific policies and procedures. The policies and procedures reflect the high standards generated by a number of sources, including the ACA [American Correctional Association], The Joint Commission, the National Commission on Correctional Healthcare, the Occupational Safety and Health Administration, federal, state, and local government guidelines, established correctional procedures, and company-

wide policies and procedures that may exceed these guidelines. Outside agency standards, such as those established by the ACA, provide us with the industry's most widely accepted operational guidelines. We have sought and received accreditation for 58 of the facilities we operated as of December 31, 2011, and we intend to apply for ACA accreditation for all of our eligible facilities that are not currently accredited where it is economically feasible to complete the 18-24 month accreditation process. Our facilities not only operate under these established standards, but they are consistently challenged by management to exceed them. This challenge is presented, in large part, through our extensive and comprehensive Quality Assurance Program.

Our Quality Assurance Division independently operates under the auspices of, and reports directly to, the Company's Office of General Counsel. The Company has devoted significant resources to the Quality Assurance Division, enabling us to monitor our facilities' compliance with contractual requirements, as well as outside agency and accrediting organization standards and guidelines. The Quality Assurance Division oversees all efforts by our facilities to deliver high quality services and operations, with an absolute commitment to continuous quality improvement through the efforts of two major sections: the Research and Analysis Section and the Audit and Compliance Systems Section.

. . .

Business Strategy

Our primary business strategy is to provide quality corrections services, offer a compelling value, and increase occupancy and revenue, while maintaining our position as the leading owner, operator, and manager of privatized correctional and detention facilities.

. . .

Own and Operate High Quality Correctional and Detention Facilities. We believe that our government partners choose an outsourced correctional service provider based primarily on availability of beds, price, and the quality of services provided. Approximately 88% of the facilities we operated as of December 31, 2011 are accredited by the ACA, an independent organization of corrections industry professionals that establishes standards by which a correctional facility may gain accreditation. ***We believe that this percentage compares favorably to the percentage of government-operated adult prisons that are accredited by the ACA.*** We have experienced wardens managing our facilities, with an average of 26 years of corrections experience and an average tenure of 13 years with us.[2]

[2] Unless otherwise noted, all emphasis has been added by Plaintiff.

40. CCA's 2011 Form 10-K contained signed certifications pursuant to the Sarbanes-Oxley Act of 2002 ("SOX") by Defendants Hininger and Mullenger, stating that the financial information contained in the 2011 Form 10-K was accurate and disclosed any material changes to the Company's internal control over financial reporting. In addition to Hininger and Mullenger, the 2011 Form 10-K was signed by, among others, Director Defendants Alvarado, Jacobi, Maniucci, Marshall, Overby, and Prann. Defendants Ferguson, Andrews, DeConcini, Horne, and Russell, among others, also signed the 2011 Form 10-K.

41. On February 28, 2012, the Company's stock price closed at $24.71.

42. On March 30, 2012, the Individual Defendants caused CCA to file a Proxy Statement pursuant to Section 14(a) of the Exchange Act ("2012 Proxy"). The 2012 Proxy described director responsibilities, the duties of each committee, Board risk management, and provided information about the director nominees up for election. However, the 2012 Proxy misrepresented and/or failed to disclose that: (i) CCA's facilities lacked adequate safety and security standards and were less effective at offering correctional services than facilities operated by the BOP; (ii) CCA's rehabilitative services for inmates were less effective than those provided by BOP; (iii) consequently, the DOJ was unlikely to renew or extend its contracts with the Company; and (iv) as a result of the foregoing, CCA's public statements were materially false and misleading at all relevant times.

43. On May 7, 2012, the Individual Defendants caused CCA to file a quarterly report on Form 10-Q with the SEC announcing the Company's financial and operating results for the quarter ended March 31, 2012 (the "Q1 2012 10-Q"). For the quarter, CCA reported net income of $31.68 million, or $0.32 per diluted share, on revenue of $435.31 million, compared to net

income of $40.33 million, or $0.37 per diluted share, on revenue of $425.18 million for the same period in the prior year. The Q1 2012 10-Q stated in part:

> Business from our federal customers, including primarily the Federal Bureau of Prisons ("BOP"), the United States Marshals Service ("USMS"), and U.S. Immigration and Customs Enforcement ("ICE") continues to be a significant component of our business. Our federal customers generated approximately 43% of our total revenue for both the three months ended March 31, 2012 and 2011, increasing 3.8%, from $182.4 million during the three months ended March 31, 2011 to $189.3 million during the three months ended March 31, 2012

44. The Q1 2012 10-Q contained signed certifications pursuant to SOX by Defendants Hininger and Mullenger, stating that the financial information contained in the filing was accurate and disclosed any material changes to the Company's internal control over financial reporting.

45. On August 9, 2012, the Individual Defendants caused CCA to file a quarterly report on Form 10-Q with the SEC announcing the Company's financial and operating results for the quarter ended June 30, 2012 (the "Q2 2012 10-Q"). For the quarter, CCA reported net income of $37.33 million, or $0.37 per diluted share, on revenue of $442.87 billion, compared to net income of $42.42 million, or $0.39 per diluted share, on revenue of $429.94 million for the same period in the prior year. The Q2 2012 10-Q stated in part:

> Business from our federal customers, including primarily the Federal Bureau of Prisons ("BOP"), the United States Marshals Service ("USMS"), and U.S. Immigration and Customs Enforcement ("ICE"), continues to be a significant component of our business. Our federal customers generated approximately 43% of our total revenue for both the six months ended June 30, 2012 and 2011, increasing $13.1 million, or 3.6%, from $368.3 million during the six months ended June 30, 2011 to $381.4 million during the six months ended June 30, 2012. Federal revenues increased $6.1 million, or 3.3%, from $185.9 million for the three months ended June 30, 2011 to $192.0 million for the three months ended June 30, 2012.

46. The Q2 2012 10-Q contained signed certifications pursuant to SOX by Defendants Hininger and Mullenger, stating that the financial information contained in the filing

was accurate and disclosed any material changes to the Company's internal control over financial reporting.

47. On November 8, 2012, the Individual Defendants caused CCA to file a quarterly report on Form 10-Q with the SEC announcing the Company's financial and operating results for the quarter ended September 30, 2012 (the "Q3 2012 10-Q"). For the quarter, CCA reported net income of $42.34 million, or $0.42 per diluted share, on revenue of $444.85 million, compared to net income of $39.24 million, or $0.37 per diluted share, on revenue of $432.14 million for the same period in the prior year. The Q3 2012 10-Q stated in part:

> Business from our federal customers, including primarily the Federal Bureau of Prisons ("BOP"), the USMS, and U.S. Immigration and Customs Enforcement ("ICE"), continues to be a significant component of our business. Our federal customers generated approximately 42% of our total revenue for the three months ended September 30, 2012 and 44% for the same period in 2011, increasing $0.4 million, from $188.4 million during the three months ended September 30, 2011 to $188.9 million during the three months ended September 30, 2012.

48. The Q3 2012 10-Q contained signed certifications pursuant to SOX by Defendants Hininger and Mullenger, stating that the financial information contained in the filing was accurate and disclosed any material changes to the Company's internal control over financial reporting.

49. On February 27, 2013, the Individual Defendants caused CCA to file an annual report on Form 10-K with the SEC announcing the Company's financial and operating results for the quarter and year ended December 31, 2012 (the "2012 10-K"). For 2012, CCA reported net income of $156.76 million, or $1.56 per diluted share, on revenue of $1.76 billion. The 2012 Form 10-K included the following statements:

> Our customers consist of federal, state, and local correctional and detention authorities. For each of the years ended December 31, 2012, 2011, and 2010, payments by federal correctional and detention authorities represented 43% of our total revenue. Federal correctional and detention authorities primarily consist of

the Federal Bureau of Prisons, or the BOP, the United States Marshals Service, or the USMS, and the U.S. Immigration and Customs Enforcement, or ICE.

. . .

Operating Procedures

Pursuant to the terms of our customer contracts, we are responsible for the overall operations of our facilities, including staff recruitment, general administration of the facilities, facility maintenance, security, and supervision of the offenders.

. . .

Outside agency standards, such as those established by the ACA, provide us with the industry's most widely accepted operational guidelines. We have sought and received accreditation for 57 of the facilities we operated as of December 31, 2012, and our Lake Erie Correctional Institution, which we purchased from the state of Ohio in December 2011, received accreditation in January 2013. We intend to apply for ACA accreditation for all of our eligible facilities that are not currently accredited where it is economically feasible to complete the 18-24 month accreditation process.

Beyond the standards provided by the ACA, our facilities are operated in accordance with a variety of company and facility-specific policies and procedures. These policies and procedures reflect the high standards generated by a number of sources, including the ACA, The Joint Commission, the National Commission on Correctional Healthcare, the Occupational Safety and Health Administration, federal, state, and local government codes and regulations, established correctional procedures, and company-wide policies and procedures that may exceed these guidelines. ***Our facilities not only operate under these established standards, but they are consistently challenged by management to exceed them.*** This challenge is presented, in large part, through our extensive and comprehensive Quality Assurance Program.

Our Quality Assurance Division independently operates under the auspices of, and reports directly to, the Company's Office of General Counsel. The Company has devoted significant resources to the Quality Assurance Division, enabling us to monitor our facilities' compliance with contractual requirements, as well as outside agency and accrediting organization standards and guidelines. The Quality Assurance Division provides governance for all efforts by our facilities to deliver high quality services and operations, with an absolute commitment to continuous quality improvement through the efforts of two major sections: the Research and Analysis Section and the Audit and Compliance Systems Section.

. . .

Business Strategy

Our primary business strategy is to provide prison bed capacity, quality corrections services, offer a compelling value, and increase occupancy and revenue, while maintaining our position as the leading owner, operator, and manager of privatized correctional and detention facilities. We will also consider opportunities for growth, including potential acquisitions of businesses within our line of business and those that provide complementary services, provided we believe such opportunities will broaden our market and/or increase the services we can provide to our government partners.

Own and Operate High Quality Correctional and Detention Facilities. ***We believe that our government partners choose an outsourced correctional service provider based primarily on availability of beds, price, and the quality of services provided.*** Approximately 85% of the facilities we operated as of December 31, 2012 are accredited by the ACA, an independent organization of corrections industry professionals that establishes standards by which a correctional facility may gain accreditation. ***We believe that this percentage compares favorably to the percentage of government-operated adult prisons that are accredited by the ACA***. We have experienced wardens managing our facilities, with an average of 27 years of corrections experience and an average tenure of 15 years with us.

50. The 2012 Form 10-K contained signed certifications pursuant to SOX by Defendants Hininger and Mullenger, stating that the financial information contained in the 2012 Form 10-K was accurate and disclosed any material changes to the Company's internal control over financial reporting. In addition to Hininger and Mullenger, the 2012 Form 10-K was signed by, among others, Director Defendants Alvarado, Jacobi, Maniucci, Marshall, Overby, and Prann. Defendants Ferguson, Andrews, DeConcini, Horne, and Russell also signed the 2012 Form 10-K.

51. On April 5, 2013, the Individual Defendants caused CCA to file a Proxy Statement pursuant to Section 14(a) of the Exchange Act ("2013 Proxy"). The 2013 Proxy described director responsibilities, the duties of each committee, and Board risk management, and provided information about the director nominees up for election. However, the 2013 Proxy misrepresented and/or failed to disclose that: (i) CCA's facilities lacked adequate safety and

security standards and were less effective at offering correctional services than facilities operated by the BOP; (ii) CCA's rehabilitative services for inmates were less effective than those provided by BOP; (iii) consequently, the DOJ was unlikely to renew or extend its contracts with the Company; and (iv) as a result of the foregoing, CCA's public statements were materially false and misleading at all relevant times.

52. On May 9, 2013, the Individual Defendants caused CCA to file a quarterly report on Form 10-Q with the SEC announcing the Company's financial and operating results for the quarter ended March 31, 2013 (the "Q1 2013 10-Q"). For the quarter, CCA reported net income of $181.09 million, or $1.78 per diluted share, on revenue of $425.72 million. The Q1 2013 10-Q stated in part:

> Business from our federal customers, including primarily the Federal Bureau of Prisons ("BOP"), the USMS, and U.S. Immigration and Customs Enforcement ("ICE") continues to be a significant component of our business. Our federal customers generated approximately 42% and 43% of our total revenue for the three months ended March 31, 2013 and 2012, respectively, decreasing 5.9%, from $189.3 million during the three months ended March 31, 2012 to $178.2 million during the three months ended March 31, 2013.

53. The Q1 2013 10-Q contained signed certifications pursuant to SOX by Defendants Hininger and Mullenger, stating that the financial information contained in the filing was accurate and disclosed any material changes to the Company's internal control over financial reporting.

54. On August 8, 2013, the Individual Defendants caused CCA to file a quarterly report on Form 10-Q with the SEC announcing the Company's financial and operating results for the quarter ended June 30, 2013 (the "Q2 2013 10-Q"). For the quarter, CCA reported net income of $20.43 million, or $0.19 per diluted share, on revenue of $433.98 million. The Q2 2013 10-Q stated in part:

> Business from our federal customers, including primarily the Federal Bureau of Prisons ("BOP"), the USMS, and U.S. Immigration and Customs Enforcement ("ICE"), continues to be a significant component of our business. Our federal customers generated approximately 43% of our total revenue for the three months ended June 30, 2013 and 43% for the same period in 2012, but decreasing $4.3 million, from $192.0 million during the three months ended June 30, 2012 to $187.7 million during the three months ended June 30, 2013. Federal revenues decreased $15.5 million, or 4.1%, from $381.4 million for the six months ended June 30, 2012 to $365.8 million for the six months ended June 30, 2013.

55. The Q2 2013 10-Q contained signed certifications pursuant to SOX by Defendants Hininger and Mullenger, stating that the financial information contained in the filing was accurate and disclosed any material changes to the Company's internal control over financial reporting.

56. On November 7, 2013, the Individual Defendants caused CCA to file a quarterly report on Form 10-Q with the SEC announcing the Company's financial and operating results for the quarter ended September 30, 2013 (the "Q3 2013 10-Q"). For the quarter, CCA reported net income of $51.84 million, or $0.44 per diluted share, on revenue of $421.47 million. The Q2 2013 10-Q stated in part. The Q3 2013 10-Q stated in part:

> Business from our federal customers, including primarily the Federal Bureau of Prisons ("BOP"), the USMS, and U.S. Immigration and Customs Enforcement ("ICE"), continues to be a significant component of our business. Our federal customers generated approximately 43% of our total revenue for both the three months ended September 30, 2013 and 2012, but decreased $7.6 million, from $188.9 million during the three months ended September 30, 2012 to $181.3 million during the three months ended September 30, 2013. Federal revenues decreased $23.1 million, or 4.1%, from $570.2 million for the nine months ended September 30, 2012, to $547.1 million for the nine months ended September 30, 2013.

57. The Q3 2013 10-Q contained signed certifications pursuant to SOX by Defendants Hininger and Mullenger, stating that the financial information contained in the filing was accurate and disclosed any material changes to the Company's internal control over financial reporting.

58. On February 27, 2014, the Individual Defendants caused CCA to file an annual report on Form 10-K with the SEC announcing the Company's financial and operating results for the quarter and year ended December 31, 2013 (the "2013 10-K"). For 2013, CCA reported net income of $300.84 million, or $2.70 per diluted share, on revenue of $1.69 billion. The 2013 Form 10-K stated in part:

> Our customers consist of federal, state, and local correctional and detention authorities. For each of the years ended December 31, 2013, 2012, and 2011, payments by federal correctional and detention authorities represented 44% of our total revenue. Federal correctional and detention authorities primarily consist of the Federal Bureau of Prisons, or the BOP, the United States Marshals Service, or the USMS, and the U.S. Immigration and Customs Enforcement, or ICE.
>
> . . .
>
> ***Operating Procedures***
>
> Pursuant to the terms of our customer contracts, we are responsible for the overall operations of our facilities, including staff recruitment, general administration of the facilities, facility maintenance, security, and supervision of the offenders.
>
> . . .
>
> Outside agency standards, such as those established by the ACA, provide us with the industry's most widely accepted operational guidelines. We have sought and received accreditation for 53 of the facilities we operated as of December 31, 2013, excluding owned facilities that were idle. We intend to apply for ACA accreditation for all of our eligible facilities that are not currently accredited where it is economically feasible to complete the 18-24 month accreditation process.
>
> Beyond the standards provided by the ACA, our facilities are operated in accordance with a variety of company and facility-specific policies and procedures, as well as various contractual requirements. These policies and procedures reflect the high standards generated by a number of sources, including the ACA, The Joint Commission, the National Commission on Correctional Healthcare, the Occupational Safety and Health Administration, federal, state, and local government codes and regulations, established correctional procedures, and company-wide policies and procedures that may exceed these guidelines.
>
> . . .

> ***Our facilities not only operate under these established standards, policies, and procedures, but they are consistently challenged by our management to exceed them.*** This challenge is presented, in large part, through our extensive Quality Assurance Program. Our Quality Assurance Division independently operates under the auspices of, and reports directly to, our Office of General Counsel. We have devoted significant resources to our Quality Assurance Division, as well as outside agency and accrediting organization standards and guidelines. Our Quality Assurance Division provides governance for all efforts by our facilities to deliver high quality services and operations, with a commitment to continuous quality improvement through the efforts of two major sections: the Research and Analysis Section and the Audit and Compliance Systems Section.
>
> . . .
>
> **Business Strategy**
>
> Our primary business strategy is to provide prison bed capacity and quality corrections services, offer a compelling value, and increase occupancy and revenue, while maintaining our position as the leading owner, operator, and manager of privatized correctional and detention facilities. We intend to consider opportunities for growth, including potential acquisitions of businesses within our line of business and those that provide complementary services, provided we believe such opportunities will broaden our market and/or increase the services we can provide to our government partners.
>
> *Own and Operate High Quality Correctional and Detention Facilities*. We believe that our government partners choose an outsourced correctional service provider based primarily on availability of beds, price, and the quality of services provided. Approximately 93% of the facilities we operated as of December 31, 2013, excluding owned facilities that were idle, are accredited by the ACA, an independent organization of corrections industry professionals that establishes standards by which a correctional facility may gain accreditation. We believe that this percentage compares favorably to the percentage of government-operated adult prisons that are accredited by the ACA. We have experienced wardens managing our facilities, with an average of 27 years of corrections experience and an average tenure of 15 years with us.

59. The 2013 Form 10-K contained signed certifications pursuant to SOX by defendants Hininger and Mullenger, stating that the financial information contained in the 2013 Form 10-K was accurate and disclosed any material changes to the Company's internal control over financial reporting. In addition to Hininger and Mullenger, the 2013 Form 10-K was signed by, among others, Director Defendants Alvarado, Dennis, Jacobi, Maniucci,

Marshall, Overby, and Prann. Defendants Ferguson, Andrews, DeConcini, Horne, and Russell also signed the 2013 Form 10-K.

60. On April 3, 2014, the Individual Defendants caused CCA to file a Proxy Statement pursuant to Section 14(a) of the Exchange Act ("2014 Proxy"). The 2014 Proxy described director responsibilities, the duties of each committee, Board risk management, and provided information about the director nominees up for election. However, the 2014 Proxy misrepresented and/or failed to disclose that: (i) CCA's facilities lacked adequate safety and security standards and were less effective at offering correctional services than facilities operated by the BOP; (ii) CCA's rehabilitative services for inmates were less effective than those provided by BOP; (iii) consequently, the DOJ was unlikely to renew or extend its contracts with the Company; and (iv) as a result of the foregoing, CCA's public statements were materially false and misleading at all relevant times.

61. On May 8, 2014, the Individual Defendants caused CCA to file a quarterly report on Form 10-Q with the SEC announcing the Company's financial and operating results for the quarter ended March 31, 2014 (the "Q1 2014 10-Q"). For the quarter, CCA reported net income of $51.74 million, or $0.44 per diluted share, on revenue of $404.22 million. The Q1 2014 10-Q stated in part:

> Business from our federal customers, including primarily the Federal Bureau of Prisons ("BOP"), the United States Marshals Service ("USMS"), and U.S. Immigration and Customs Enforcement ("ICE") continues to be a significant component of our business. Our federal customers generated approximately 42% and 43% of our total revenue for the three months ended March 31, 2014 and 2013, respectively, decreasing 4.3%, from $178.2 million during the three months ended March 31, 2013 to $170.5 million during the three months ended March 31, 2014. The reduction primarily resulted from the transition of our California City facility, which housed USMS inmates during the first quarter of 2013, to a lease with the state of California, as further described under Other Facility Related Activity hereafter. The reduction in federal revenue also resulted from a contract adjustment by one of our federal partners previously disclosed in the fourth

> quarter of 2013. The contract adjustment resulted in an accrual of $13.0 million of revenue and an equal accrual of operating expenses during the fourth quarter of 2013, which were revised to $9.0 million during the first quarter of 2014, resulting in the reduction of both revenue and operating expenses by $4.0 million.

62. The Q1 2014 10-Q contained signed certifications pursuant to SOX by Defendants Hininger and Garfinkle, stating that the financial information contained in the filing was accurate and disclosed any material changes to the Company's internal control over financial reporting.

63. On August 7, 2014, the Individual Defendants caused CCA to file a quarterly report on Form 10-Q with the SEC announcing the Company's financial and operating results for the quarter ended June 30, 2014 (the "Q2 2014 10-Q"). For the quarter, CCA reported net income of $55.73 million, or $0.48 per diluted share, on revenue of $410.69 million. The Q2 2014 10-Q stated in part:

> Business from our federal customers, including primarily the Federal Bureau of Prisons ("BOP"), the United States Marshals Service ("USMS"), and U.S. Immigration and Customs Enforcement ("ICE") continues to be a significant component of our business. Our federal customers generated approximately 43% and 44% of our total revenue for the three months ended June 30, 2014 and 2013, respectively, decreasing 5.1%, from $187.7 million during the three months ended June 30, 2013 to $178.1 million during the three months ended June 30, 2014. Federal revenues decreased $17.2 million or 4.7% from $365.8 million for the six months ended June 30, 2013, to $348.6 million for the six months ended June 30, 2014. The reduction in federal revenues in both the three- and six-month periods primarily resulted from the transition of our California City facility, which housed USMS and ICE inmates during the first quarter of 2013, to a lease with the state of California, as further described under Other Facility Related Activity hereafter. The reduction in federal revenues for the six-month period also resulted from a contract adjustment by one of our federal partners previously disclosed in the fourth quarter of 2013. The contract adjustment resulted in an accrual of $13.0 million of revenue and an equal accrual of operating expenses during the fourth quarter of 2013, both of which were revised to $9.0 million during the first quarter of 2014, resulting in the reduction of both revenue and operating expenses by $4.0 million.

64. The Q2 2014 10-Q contained signed certifications pursuant to SOX by Defendants Hininger and Garfinkle, stating that the financial information contained in the filing

was accurate and disclosed any material changes to the Company's internal control over financial reporting.

65. On November 5, 2014, the Individual Defendants caused CCA to file a quarterly report on Form 10-Q with the SEC announcing the Company's financial and operating results for the quarter ended September 30, 2014 (the "Q3 2014 10-Q"). For the quarter, CCA reported net income of $57.55 million, or $0.49 per diluted share, on revenue of $408.47 million. The Q3 2014 10-Q stated in part:

> Business from our federal customers, including primarily the Federal Bureau of Prisons ("BOP"), the United States Marshals Service ("USMS"), and U.S. Immigration and Customs Enforcement ("ICE") continues to be a significant component of our business. Our federal customers generated approximately 44% and 43% of our total revenue for the three months ended September 30, 2014 and 2013, respectively, decreasing 0.9%, from $181.3 million during the three months ended September 30, 2013 to $179.6 million during the three months ended September 30, 2014. Federal revenues decreased $19.0 million or 3.5% from $547.1 million for the nine months ended September 30, 2013, to $528.1 million for the nine months ended September 30, 2014. The reduction in federal revenues in both the three- and nine-month periods primarily resulted from the transition of our California City facility, which housed USMS and ICE offenders during the first nine months of 2013, to a lease with the state of California, as further described under "Other Facility Related Activity" hereafter. Partially offsetting the reduction in federal revenues in both the three- and nine-month periods was an increase in revenues that resulted from our acquisition of CAI in the third quarter of 2013. In addition, the reduction in federal revenues during the three-month period was partially offset by an increase in revenues associated with ICE at certain facilities. Our federal partners continue to manage their budgets under Continuing Resolutions which could create short-term challenges and lead to reductions in inmate populations.

66. The Q3 2014 10-Q contained signed certifications pursuant to SOX by Defendants Hininger and Garfinkle, stating that the financial information contained in the filing was accurate and disclosed any material changes to the Company's internal control over financial reporting.

67. On February 25, 2015, the Individual Defendants caused CCA to file an annual report on Form 10-K with the SEC announcing the Company's financial and operating results for

the quarter and year ended December 31, 2014 (the "2014 Form 10-K"). For 2014, CCA reported net income of $195.02 million, or $1.66 per diluted share, on revenue of $1.65 billion. The 2014 Form 10-K stated in part:

> Our customers consist of federal, state, and local correctional and detention authorities. Federal correctional and detention authorities primarily consist of the Federal Bureau of Prisons, or the BOP, the United States Marshals Service, or the USMS, and the U.S. Immigration and Customs Enforcement, or ICE. Payments by federal correctional and detention authorities represented 44% of our total revenue for each of the years ended December 31, 2014, 2013, and 2012.
>
> Our customer contracts typically have terms of three to five years and contain multiple renewal options. Most of our facility contracts also contain clauses that allow the government agency to terminate the contract at any time without cause, and our contracts are generally subject to annual or bi-annual legislative appropriations of funds.
>
> . . .
>
> ***Operating Procedures***
>
> Pursuant to the terms of our customer contracts, we are responsible for the overall operations of our facilities, including staff recruitment, general administration of the facilities, facility maintenance, security, and supervision of the offenders. We are required by our customer contracts to maintain certain levels of insurance coverage for general liability, workers' compensation, vehicle liability, and property loss or damage. We are also required to indemnify our customers for claims and costs arising out of our operations and, in certain cases, to maintain performance bonds and other collateral requirements. Approximately 90% of the eligible facilities we operated at December 31, 2014 were accredited by the American Correctional Association Commission on Accreditation. The American Correctional Association, or ACA, is an independent organization comprised of corrections professionals that establishes accreditation standards for correctional and detention institutions.
>
> . . .
>
> Outside agency standards, such as those established by the ACA, provide us with the industry's most widely accepted operational guidelines. We have sought and received accreditation for 47 of the eligible facilities we operated as of December 31, 2014.
>
> ***Beyond the standards provided by the ACA, our facilities are operated in accordance with a variety of company and facility-specific policies and procedures, as well as various contractual requirements***. These policies and

procedures reflect the high standards generated by a number of sources, including the ACA, The Joint Commission, the National Commission on Correctional Healthcare, the Occupational Safety and Health Administration, federal, state, and local government codes and regulations, established correctional procedures, and company-wide policies and procedures that may exceed these guidelines.

. . .

Business Strategy

Our primary business strategy is to provide prison bed capacity and quality corrections services, offer a compelling value, and increase occupancy and revenue, while maintaining our position as the leading owner, operator, and manager of privatized correctional and detention facilities. We intend to consider opportunities for growth, including potential acquisitions of businesses within our line of business and those that provide complementary services, provided we believe such opportunities will broaden our market and/or increase the services we can provide to our government partners.

Own and Operate High Quality Correctional and Detention Facilities. We believe that our government partners choose an outsourced correctional service provider based primarily on availability of beds, price, and the quality of services provided. Approximately 90% of the eligible facilities we operated as of December 31, 2014 are accredited by the ACA, an independent organization of corrections industry professionals that establishes standards by which a correctional facility may gain accreditation. We believe that this percentage compares favorably to the percentage of government-operated adult prisons that are accredited by the ACA. We have experienced wardens managing our facilities, with an average of 28 years of corrections experience and an average tenure of 16 years with us.

68. The 2014 Form 10-K contained signed certifications pursuant to SOX by Defendants Hininger and Garfinkle, stating that the financial information contained in the 2014 Form 10-K was accurate and disclosed any material changes to the Company's internal control over financial reporting. In addition to Hininger and Garfinkle, the 2014 Form 10-K was signed by, among others, Director Defendants Alvarado, Dennis, Emkes, Jacobi, Maniucci, Marshall, Overby, and Prann. Defendants Ferguson and Russell also signed the 2014 Form 10-K.

69. On April 2, 2015, the Individual Defendants caused CCA to file a Proxy Statement pursuant to Section 14(a) of the Exchange Act ("2015 Proxy"). The 2015 Proxy described director responsibilities, the duties of each committee, Board risk management, and provided information about the director nominees up for election. However, the 2015 Proxy misrepresented and/or failed to disclose that: (i) CCA's facilities lacked adequate safety and security standards and were less effective at offering correctional services than facilities operated by the BOP; (ii) CCA's rehabilitative services for inmates were less effective than those provided by BOP; (iii) consequently, the DOJ was unlikely to renew or extend its contracts with the Company; and (iv) as a result of the foregoing, CCA's public statements were materially false and misleading at all relevant times.

70. On May 7, 2015, the Individual Defendants caused CCA to file a quarterly report on Form 10-Q with the SEC announcing the Company's financial and operating results for the quarter ended March 31, 2015 (the "Q1 2015 10-Q"). For the quarter, CCA reported net income of $57.28 million, or $0.49 per diluted share, on revenue of $426.00 million. The Q1 2015 10-Q stated in part:

> Business from our federal customers, including primarily the Federal Bureau of Prisons, or BOP, the United States Marshals Service, or USMS, and ICE, continues to be a significant component of our business. Our federal customers generated approximately 49% and 44% of our total management revenue for the three months ended March 31, 2015 and 2014, respectively, increasing $28.7 million, or 16.4%. The increase in federal revenues primarily resulted from the activation of the South Texas Family Residential Center in the fourth quarter of 2014, as further described hereafter, and per diem increases at several of our other facilities, partially offset by a decline in federal populations at several facilities.

71. The Q1 2015 10-Q contained signed certifications pursuant to SOX by Defendants Hininger and Garfinkle, stating that the financial information contained in the filing was accurate and disclosed any material changes to the Company's internal control over financial reporting.

72. On August 6, 2015, the Individual Defendants caused CCA to file a quarterly report on Form 10-Q with the SEC announcing the Company's financial and operating results for the quarter ended June 30, 2015 (the "Q2 2015 10-Q"). For the quarter, CCA reported net income of $65.30 million, or $0.55 per diluted share, on revenue of $459.30 million. The Q2 2015 10-Q stated in part:

> Business from our federal customers, including primarily the BOP, the United States Marshals Service, or USMS, and ICE, continues to be a significant component of our business. Our federal customers generated approximately 53% and 45% of our total management revenue for the three months ended June 30, 2015 and 2014, respectively, increasing $58.1 million, or 32.6%. Our federal customers generated approximately 51% and 44% of our total management revenue for the six months ended June 30, 2015 and 2014, respectively, increasing $86.8 million, or 24.6%.

73. The Q2 2015 10-Q contained signed certifications pursuant to SOX by Defendants Hininger and Garfinkle, stating that the financial information contained in the filing was accurate and disclosed any material changes to the Company's internal control over financial reporting.

74. On November 5, 2015, the Individual Defendants caused CCA to file a quarterly report on Form 10-Q with the SEC announcing the Company's financial and operating results for the quarter ended September 30, 2015 (the "Q3 2015 10-Q"). For the quarter, CCA reported net income of $50.68 million, or $0.43 per diluted share, on revenue of $459.96 million. The Q3 2015 10-Q stated in part:

> Business from our federal customers, including primarily the BOP, the United States Marshals Service, or USMS, and ICE, continues to be a significant component of our business. Our federal customers generated approximately 53% and 45% of our total management revenue for the three months ended September 30, 2015 and 2014, respectively, increasing $59.1 million, or 32.9%. Our federal customers generated approximately 51% and 44% of our total management revenue for the nine months ended September 30, 2015 and 2014, respectively, increasing $145.9 million, or 27.4%.

75. The Q3 2015 10-Q contained signed certifications pursuant to SOX by Defendants Hininger and Garfinkle, stating that the financial information contained in the filing was accurate and disclosed any material changes to the Company's internal control over financial reporting.

76. On February 22, 2016, the Individual Defendants caused CCA to issue a press release announcing that Emkes would become the Company's new Chairman of the Board, replacing Ferguson effective as of the 2016 annual meeting. In the press release, the Company also announced that Russell would be retiring from the Board effective as of the 2016 annual meeting.

77. On February 25, 2016, the Individual Defendants caused CCA to file an annual report on Form 10-K with the SEC announcing the Company's financial and operating results for the quarter and year ended December 31, 2015 (the "2015 10-K"). For 2015, CCA reported net income of $221.85 million, or $1.88 per diluted share, on revenue of $1.79 billion. The 2015 Form 10-K stated in part:

> Our customers consist of federal, state, and local correctional and detention authorities. Federal correctional and detention authorities primarily consist of the Federal Bureau of Prisons, or the BOP, the United States Marshals Service, or the USMS, and ICE. Payments by federal correctional and detention authorities represented 51%, 44%, and 44% of our total revenue for the years ended December 31, 2015, 2014, and 2013, respectively.
>
> Our customer contracts typically have terms of three to five years and contain multiple renewal options. Most of our facility contracts also contain clauses that allow the government agency to terminate the contract at any time without cause, and our contracts are generally subject to annual or bi-annual legislative appropriations of funds.
>
> . . .
>
> ***Operating Procedures***
>
> Pursuant to the terms of our customer contracts, we are responsible for the overall operations of our facilities, including staff recruitment, general administration of

the facilities, facility maintenance, security, and supervision of the offenders. We are required by our customer contracts to maintain certain levels of insurance coverage for general liability, workers' compensation, vehicle liability, and property loss or damage. We are also required to indemnify our customers for claims and costs arising out of our operations and, in certain cases, to maintain performance bonds and other collateral requirements. Approximately 92% of the eligible facilities we operated at December 31, 2015, excluding our community corrections facilities, were accredited by the American Correctional Association Commission on Accreditation. The American Correctional Association, or ACA, is an independent organization comprised of corrections professionals that establishes accreditation standards for correctional and detention institutions.

. . .

Outside agency standards, such as those established by the ACA, provide us with the industry's most widely accepted operational guidelines. We have sought and received accreditation for 44 of the eligible facilities we operated as of December 31, 2015, excluding our community corrections facilities.

Beyond the standards provided by the ACA, our facilities are operated in accordance with a variety of company and facility-specific policies and procedures, as well as various contractual requirements. These policies and procedures reflect the high standards generated by a number of sources, including the ACA, The Joint Commission, the National Commission on Correctional Healthcare, the Occupational Safety and Health Administration, federal, state, and local government codes and regulations, established correctional procedures, and company-wide policies and procedures that may exceed these guidelines.

. . .

Our facilities operate under these established standards, policies, and procedures, and also are subject to audits by our Quality Assurance Division, or QAD, which works independent from Operations management under the auspices of, and reports directly to, our Office of General Counsel. ***We have devoted significant resources to meeting outside agency and accrediting organization standards and guidelines.***

The QAD employs a team of full-time auditors, who are subject matter experts from all major disciplines within institutional operations. Annually, without advance notice, QAD auditors conduct on site evaluations of each facility we operate using specialized operational audit tools, often containing more than 1,000 audited items across all major operational areas. In most instances, these audit tools are tailored to facility and partner specific requirements. Audit teams are also made available to work with facilities in specific areas of need, such as meeting requirements of new partner contracts or providing detailed training of new departmental managers.

The QAD management team coordinates overall operational auditing and compliance efforts across all CCA facilities. In conjunction with subject matter experts and other stakeholders having risk management responsibilities, the QAD management team develops performance measurement tools used in facility audits. The QAD management team provides governance of the corporate plan of action process for issues identified through internal and external facility reviews. Our QAD also contracts with teams of ACA certified correctional auditors to evaluate compliance with ACA standards at accredited facilities.

. . .

Business Strategy

Our primary business strategy is to provide prison bed capacity and quality corrections services, offer a compelling value, and increase occupancy and revenue, while maintaining our position as the leading owner, operator, and manager of privatized correctional and detention facilities. We may acquire additional correctional and re-entry facilities as well as other real estate assets used to provide mission critical governmental services primarily in the criminal justice sector, that we believe have favorable investment returns and increase value to our stockholders. We will also consider opportunities for growth, including, but not limited to, potential acquisitions of businesses within our line of business and those that provide complementary services, provided we believe such opportunities will broaden our market share and/or increase the services we can provide to our customers.

Own and Operate High Quality Correctional and Detention Facilities. We believe that our government partners choose an outsourced correctional service provider based primarily on availability of beds, price, and the quality of services provided. Approximately 92% of the eligible facilities we operated as of December 31, 2015, excluding our community corrections facilities, are accredited by the ACA, an independent organization of corrections industry professionals that establishes standards by which a correctional facility may gain accreditation. ***We believe that this percentage compares favorably to the percentage of government-operated adult prisons that are accredited by the ACA.*** We have experienced wardens and administrators managing our facilities, with an average of 26 years of corrections experience.

78. The 2015 Form 10-K contained signed certifications pursuant to SOX by Defendants Hininger and Garfinkle, stating that the financial information contained in the 2015 Form 10-K was accurate and disclosed any material changes to the Company's internal control over financial reporting. In addition to Hininger and Garfinkle, the 2015 Form 10-K was signed by, among others, Director Defendants Alvarado, Dennis, Emkes, Jacobi, Maniucci,

Marshall, Overby, and Prann. Defendants Ferguson and Russell also signed the 2015 Form 10-K.

79. On March 30, 2016, the Individual Defendants caused CCA to file a Proxy Statement pursuant to Section 14(a) of the Exchange Act ("2016 Proxy"). The 2016 Proxy described director responsibilities, the duties of each committee, Board risk management, and provided information about the director nominees up for election. However, the 2016 Proxy misrepresented and/or failed to disclose that: (i) CCA's facilities lacked adequate safety and security standards and were less effective at offering correctional services than facilities operated by the BOP; (ii) CCA's rehabilitative services for inmates were less effective than those provided by BOP; (iii) consequently, the DOJ was unlikely to renew or extend its contracts with the Company; and (iv) as a result of the foregoing, CCA's public statements were materially false and misleading at all relevant times.

80. On May 5, 2016, the Individual Defendants caused CCA to file a quarterly report on Form 10-Q with the SEC announcing the Company's financial and operating results for the quarter ended March 31, 2016 (the "Q1 2016 10-Q"). For the quarter, CCA reported net income of $46.31 million, or $0.39 per diluted share, on revenue of $447.39 million. The Q1 2016 10-Q stated in part:

> Business from our federal customers, including primarily the BOP, the United States Marshals Service, or USMS, and ICE, continues to be a significant component of our business. Our federal customers generated approximately 53% and 48% of our total revenue for the three months ended March 31, 2016 and 2015, respectively, increasing $32.5 million, or 16.0%.

81. The Q1 2016 10-Q contained signed certifications pursuant to SOX by Defendants Hininger and Garfinkle, stating that the financial information contained in the filing was accurate and disclosed any material changes to the Company's internal control over financial reporting.

82. On August 4, 2016, the Individual Defendants caused CCA to file a quarterly report on Form 10-Q with the SEC announcing the Company's financial and operating results for the quarter ended June 30, 2016 (the "Q2 2016 10-Q"). For the quarter, CCA reported net income of $57.58 million, or $0.49 per diluted share, on revenue of $463.33 million. The Q2 2016 10-Q stated in part:

> Business from our federal customers, including primarily the BOP, the United States Marshals Service, or USMS, and ICE, continues to be a significant component of our business. Our federal customers generated approximately 52% and 51% of our total revenue for the three months ended June 30, 2016 and 2015, respectively, increasing $6.3 million, or 2.7%. ***Our federal customers generated approximately 53% and 50% of our total revenue for the six months ended June 30, 2016 and 2015, respectively, increasing $38.8 million, or 8.8%.***

83. The Q2 2016 10-Q contained signed certifications pursuant to SOX by Defendants Hininger and Garfinkle, stating that the financial information contained in the filing was accurate and disclosed any material changes to the Company's internal control over financial reporting.

84. During the Relevant Period, due to the misstatements and omissions by the Individual Defendants, the stock price rose to record highs, reaching a closing price of $42.10 on March 20, 2015. On August 1, 2016, the closing price for CCA stock was $32.54, and on August 17, 2016, the stock closed at $27.22.

THE REASONS THE STATEMENTS WERE FALSE

85. The true facts, which were known or recklessly disregarded by the Individual Defendants, but were concealed from the investing public, were as follows:

(a) CCA's facilities lacked adequate safety and security standards and were less effective at offering correctional services than facilities operated by the BOP;

(b) CCA's rehabilitative services for inmates were less effective than those provided by BOP;

(c) Consequently, the DOJ was unlikely to renew or extend its contracts with the Company; and

(d) As a result of the foregoing, the Company's touted financial and business prospects were materially false and misleading at all relevant times.

86. As a result of the Individual Defendants' false and misleading statements and omissions, CCA shares traded at artificially inflated prices during the Relevant Period. Once the true facts regarding the Company's financial prospects and future business prospects began to emerge, investors sold CCA stock, causing the Company's stock price to fall $9.65 per share, or 39.45%, to close at $17.57 per share on August 18, 2016, erasing hundreds of millions of dollars in market capitalization.

THE TRUTH BEGINS TO EMERGE

87. On August 18, 2016, Deputy Attorney General Yates announced the DOJ's decision to end its use of private prisons, including those operated by CCA, after officials concluded that the facilities are both less safe and less effective at providing correctional services than those run by the federal government. In a memorandum addressed to the Acting Director of the Federal Bureau of Prisons, entitled "Reducing our Use of Private Prisons," Deputy Attorney General Yates stated, in part:

> Private prisons served an important role during a difficult period, but ***time has shown that they compare poorly to our own Bureau facilities. They simply do not provide the same level of correctional services, programs, and resources; they do not save substantially on costs***; and as noted in a recent report by the Department's Office of Inspector General, ***they do not maintain the same level of safety and security***. The rehabilitative services that the Bureau provides, such as educational programs and job training, have proved difficult to replicate and outsource—and these services are essential to reducing recidivism and improving public safety.
>
> ***For all these reasons, I am eager to enlist your help in beginning the process of reducing—and ultimately ending—our use of privately operated prisons***. As you know, all of the Bureau's existing contracts with private prison companies

are term-limited and subject to renewal or termination. I am directing that, as each contract reaches the end of its term, the Bureau should either decline to renew that contract or substantially reduce its scope in a manner consistent with law and the overall decline of the Bureau's inmate population.

88. In response to the DOJ announcement, the Company's stock plummeted $9.65, a decline of over 35%, to close at $17.57 on August 18, 2016.

89. On September 27, 2016, the Individual Defendants caused CCA to issue a press release announcing that the Company would be restructuring. The press release stated in part:

> NASHVILLE, Tenn., Sept. 27, 2016 (GLOBE NEWSWIRE) -- Corrections Corporation of America (NYSE:CXW) (the "Company" or "CCA"), America's largest owner of partnership correctional, detention, and reentry facilities, today announced a restructuring of the Company's corporate operations and implementation of a cost reduction plan. CCA expects that 50 to 55 full time positions will be eliminated as a result of the restructuring, or approximately 12% of the corporate workforce at its headquarters. The restructuring realigns the corporate structure to more effectively serve facility operations and support the progression of CCA's business diversification strategy.
>
> ***CCA expects to report a charge in the third quarter of 2016 of approximately $4.0 million associated with this restructuring.*** This charge primarily consists of cash payments for severance and related benefits to terminated employees and a non-cash charge associated with the voluntary forfeiture by CCA's chief executive officer of a restricted stock unit award, as further described hereafter. The impact of these staffing reductions, together with the implementation of the cost reduction plan, are expected to result in expense savings of approximately $9.0 million in 2017, most of which are general and administrative expenses. A substantial portion of these expense savings will commence in the fourth quarter of 2016.
>
> "Recognizing the continuing evolution of our core corrections and detention businesses, and our strategy to grow our reentry and real estate platforms, we conducted a thorough review of our corporate structure to optimize our support of both existing and future operations," said Damon T. Hininger, CCA's President and Chief Executive Officer. "Proactively addressing the challenges and opportunities of our business means very difficult decisions must be made, and our most immediate concern is for the welfare of the employees affected by the restructuring," continued Hininger. "Together with the ongoing initiatives that are diversifying our business model, I am confident this restructuring and cost reduction plan will better position CCA for long-term value creation for our shareholders."

90. On October 28, 2016, news outlets reported that the Company was attempting to rebrand itself to improve business prospects. As reported that day by the *Nashville Business Journal*:

> In an effort to transform its business amid controversy over private prisons, Nashville-based Corrections Corporation of America is rebranding.
>
> CCA (NYSE: CXW), the nation's largest owner of correctional, detention and residential reentry facilities, will now operate under the name CoreCivic.
>
> The news follows several hits to the private prison industry and a round of layoffs at CCA. Earlier this year, the Department of Justice announced plans to end its use of private prisons, and the Department of Homeland Security has announced a review of the same practice. Those announcements negatively impacted CCA's stock price, with shares currently trading just above $13, down from around $30 in early August.
>
> In Friday's announcement, CCA President and CEO Damon Hininger described the rebranding as "the culmination of a multi-year strategy to transform our business from largely corrections and detention services to a wider range of government solutions."
>
> "The CoreCivic name speaks to our ability to solve the tough challenges facing government at all levels and to the deep sense of service that we feel every day to help people," Hininger's statement continues.
>
> The official change to the company's charter was made Aug. 11, according to today's release, prior to the Justice Department announcement.
>
> CCA has downplayed the impact of federal announcements related to private prisons, arguing the federal sector represents only a small part of its revenue. The rebranding announcement outlines three distinct business offerings for the company moving forward: "CoreCivic Safety, a national leader in high-quality corrections and detention management; CoreCivic Properties, a wide range of innovative, cost-saving government real estate solutions; and CoreCivic Community, a growing network of residential re-entry centers to help tackle America's recidivism crisis."

INSIDER SELLING

91. Not all shareholders were harmed by the Individual Defendants' actions.

92. Indeed, during the Relevant Period, while in possession of material, adverse, non-public information, certain of the Individual Defendants unloaded their holdings of CCA stock at

bloated prices. Specifically, the Insider Selling Defendants (including Director Defendants Hininger, Alvarado, Jacobi, Marshall, Overby, Prann, Andrews, DeConcini, Ferguson, Garfinkle, Mullenger, and Horne) took advantage of the artificially inflated prices to sell their CCA shares for substantial proceeds. As detailed below, these Insider Selling Defendants sold ***more than $33.4 million*** of personally held common stock.

93. Defendant Hininger was a member of the Company's Board, as well as the Company's CEO and President, during the Relevant Period. Hininger was aware of material, non-public information regarding (i) inadequacies in the Company's safety and security standards and rehabilitative services that would result in the DOJ not renewing or extending contracts with the Company, and (ii) the inaccuracy of CCA's disclosures in the Company's press releases and public filings. While in possession of this information, Hininger sold at least 82,585 personally held shares of CCA stock at artificially inflated prices for proceeds of more than ***$3.2 million***. Hininger's sales were timed to maximize profits from the Company's then artificially inflated stock price.

94. Defendant Garfinkle was the Company's CFO and Executive Vice President during the Relevant Period. Garfinkle was aware of material, non-public information regarding (i) inadequacies in the Company's safety and security standards and rehabilitative services that would result in the DOJ not renewing or extending contracts with the Company, and (ii) the inaccuracy of CCA's disclosures in the Company's press releases and public filings. While in possession of this information, Garfinkle sold at least 90,363 personally held shares of CCA stock at artificially inflated prices for proceeds of over ***$2.8 million***. Garfinkle's sales were timed to maximize profits from the Company's then artificially inflated stock price.

95. Defendant Mullenger was the Company's CFO and Executive Vice President during the Relevant Period. Mullenger was aware of material, non-public information regarding (i) inadequacies in the Company's safety and security standards and rehabilitative services that would result in the DOJ not renewing or extending contracts with the Company, and (ii) the inaccuracy of CCA's disclosures in the Company's press releases and public filings. While in possession of this information, Mullenger sold at least 309,364 personally held shares of CCA stock at artificially inflated prices for proceeds of more than ***$10.29 million***. Mullenger's sales were timed to maximize profits from the Company's then artificially inflated stock price.

96. Defendant Alvarado is a member of the Company's Board. During the Relevant Period, Alvarado was aware of material, non-public information regarding (i) inadequacies in the Company's safety and security standards and rehabilitative services that would result in the DOJ not renewing or extending contracts with the Company, and (ii) the inaccuracy of CCA's disclosures in the Company's press releases and public filings. While in possession of this information, Alvarado sold at least 4,802 personally held shares of CCA stock at artificially inflated prices for proceeds of approximately ***$170,000***. Alvarado's sales were timed to maximize profits from the Company's then artificially inflated stock price.

97. Defendant Jacobi is a member of the Company's Board. During the Relevant Period, Jacobi was aware of material, non-public information regarding (i) inadequacies in the Company's safety and security standards and rehabilitative services that would result in the DOJ not renewing or extending contracts with the Company, and (ii) the inaccuracy of CCA's disclosures in the Company's press releases and public filings. While in possession of this information, Jacobi sold at least 48,000 personally held shares of CCA stock at artificially

inflated prices for proceeds of more than ***$1.8 million***. Jacobi's sales were timed to maximize profits from the Company's then artificially inflated stock price.

98. Defendant Marshall is a member of the Company's Board. During the Relevant Period, Marshall was aware of material, non-public information regarding (i) inadequacies in the Company's safety and security standards and rehabilitative services that would result in the DOJ not renewing or extending contracts with the Company, and (ii) the inaccuracy of CCA's disclosures in the Company's press releases and public filings. While in possession of this information, Marshall sold at least 49,964 personally held shares of CCA stock at artificially inflated prices for proceeds of more than ***$1.6 million***. Marshall's sales were timed to maximize profits from the Company's then artificially inflated stock price.

99. Defendant Overby is a member of the Company's Board. During the Relevant Period, Overby was aware of material, non-public information regarding (i) inadequacies in the Company's safety and security standards and rehabilitative services that would result in the DOJ not renewing or extending contracts with the Company, and (ii) the inaccuracy of CCA's disclosures in the Company's press releases and public filings. While in possession of this information, Overby sold at least 12,564 personally held shares of CCA stock at artificially inflated prices for proceeds of more than ***$444,000***. Overby's sales were timed to maximize profits from the Company's then artificially inflated stock price.

100. Defendant Prann is a member of the Company's Board. During the Relevant Period, Prann was aware of material, non-public information regarding (i) inadequacies in the Company's safety and security standards and rehabilitative services that would result in the DOJ not renewing or extending contracts with the Company, and (ii) the inaccuracy of CCA's disclosures in the Company's press releases and public filings. While in possession of this

information, Prann sold at least 54,648 personally held shares of CCA stock at artificially inflated prices for proceeds of more than ***$1.8 million***. Prann's sales were timed to maximize profits from the Company's then artificially inflated stock price.

101. Defendant Andrews was a member of the Company's Board from August 2000 to May 2014. During the Relevant Period, Andrews was aware of material, non-public information regarding (i) inadequacies in the Company's safety and security standards and rehabilitative services that would result in the DOJ not renewing or extending contracts with the Company, and (ii) the inaccuracy of CCA's disclosures in the Company's press releases and public filings. While in possession of this information, Andrews sold at least 57,000 personally held shares of CCA stock at artificially inflated prices for proceeds of more than ***$2.1 million***. Andrews's sales were timed to maximize profits from the Company's then artificially inflated stock price.

102. Defendant DeConcini was a member of the Company's Board from February 2008 to May 2014. During the Relevant Period, DeConcini was aware of material, non-public information regarding (i) inadequacies in the Company's safety and security standards and rehabilitative services that would result in the DOJ not renewing or extending contracts with the Company, and (ii) the inaccuracy of CCA's disclosures in the Company's press releases and public filings. While in possession of this information, DeConcini sold at least 8,000 personally held shares of CCA stock at artificially inflated prices for proceeds of more than ***$330,000***. DeConcini's sales were timed to maximize profits from the Company's then artificially inflated stock price.

103. Defendant Ferguson was CCA's Chairman of the Board from 2008 to May 2016, President from August 2000 to July 2008, CEO from August 2000 to October 2009, and was a director from August 2000 to May 2016. During the Relevant Period, Ferguson was aware of

material, non-public information regarding (i) inadequacies in the Company's safety and security standards and rehabilitative services that would result in the DOJ not renewing or extending contracts with the Company, and (ii) the inaccuracy of CCA's disclosures in the Company's press releases and public filings. While in possession of this information, Ferguson sold at least 200,000 personally held shares of CCA stock at artificially inflated prices for proceeds of more than ***$7.2 million***. Ferguson's sales were timed to maximize profits from the Company's then artificially inflated stock price.

104. Defendant Horne was a member of the Board from December 2001 to May 2014. During the Relevant Period, Horne was aware of material, non-public information regarding (i) inadequacies in the Company's safety and security standards and rehabilitative services that would result in the DOJ not renewing or extending contracts with the Company, and (ii) the inaccuracy of CCA's disclosures in the Company's press releases and public filings. While in possession of this information, Horne sold at least 40,000 personally held shares of CCA stock at artificially inflated prices for proceeds of more than ***$1.5 million***. Horne's sales were timed to maximize profits from the Company's then artificially inflated stock price.

105. These insider sales were executed under highly suspicious circumstances and occurred while the Company's stock price was artificially inflated due to the misrepresentations and omissions alleged herein.

106. The foregoing insider sales, which resulted in total proceeds of ***more than $33.4 million***, are summarized in the following chart. These insider sales were executed under highly suspicious circumstances and occurred while the Company's stock price was artificially inflated due to the misrepresentations and omissions alleged herein.

Insider	Transaction Date	Shares	Price	Proceeds
Alvarado	12/6/2013	3100	$ 34.2137	$106,062.47
	12/1/2014	1702	$ 37.0780	$63,106.76
	TOTAL:	**4,802**		**$169,169.23**

Hininger	4/1/2013	9600	$ 38.4310	$368,937.60
	4/2/2013	14400	$ 38.5000	$554,400.00
	4/3/2013	5700	$ 38.4469	$219,147.33
	4/9/2013	52885	$ 38.9855	$2,061,748.17
	TOTAL:	**82,585**		**$3,204,233.10**

Jacobi	5/14/2013	48000	$ 39.1900	$1,881,120.00
	TOTAL:	**48,000**		**$1,881,120.00**

Marshall, Jr.	11/22/2013	14105	$ 33.9014	$478,179.25
	11/25/2014	12272	$ 36.1500	$443,632.80
	9/4/2015	23587	$ 29.0130	$684,329.63
	TOTAL:	**49,964**		**$1,606,141.68**

Overby	11/24/2014	12564	$ 35.4000	$444,765.60
	TOTAL:	**12,564**		**$444,765.60**

Prann, Jr.	2/28/2013	4000	$ 38.3000	$153,200.00
	3/18/2013	3900	$ 38.1600	$148,824.00
	12/3/2013	3500	$ 33.4200	$116,970.00
	12/5/2013	3500	$ 33.6660	$117,831.00
	12/5/2013	3646	$ 33.7000	$122,870.20
	3/4/2014	15820	$ 33.6700	$532,659.40
	3/5/2014	14282	$ 33.8500	$483,445.70
	11/20/2015	6000	$ 26.0718	$156,430.80
	TOTAL:	**54,648**		**$1,832,231.10**

Ferguson	2/25/2013	44174	$ 37.7799	$1,668,889.30
	2/25/2013	37661	$ 37.7799	$1,422,828.81
	3/18/2013	15000	$ 38.1700	$572,550.00
	3/18/2013	15000	$ 38.1700	$572,550.00
	6/6/2013	15000	$ 34.8554	$522,831.00
	6/6/2013	15000	$ 34.8554	$522,831.00
	3/28/2016	24025	$ 32.1973	$773,540.13

Insider	Transaction Date	Shares	Price	Proceeds
	3/28/2016	25464	$ 32.1500	$818,667.60
	3/29/2016	5975	$ 32.2056	$192,428.46
	3/29/2016	4536	$ 32.0781	$145,506.26
	TOTAL:	**201,835**		**$7,212,622.57**

Andrews	2/26/2013	16386	$ 38.0000	$622,668.00
	2/26/2013	28626	$ 37.9200	$1,085,497.92
	11/14/2013	500	$ 36.0060	$18,003.00
	11/15/2013	12117	$ 36.0904	$437,307.38
		57,629	**TOTAL**	**$2,163,476.30**

DeConcini	3/19/2013	5000	$ 37.8840	$189,420.00
	5/15/2013	3786	$ 39.0100	$147,691.86
	TOTAL:	**8,786**		**$337,111.86**

Horne	3/1/2012	3100	$ 25.4960	$79,037.60
	3/5/2013	37459	$ 37.9500	$1,421,569.05
	TOTAL:	**40,559**		**$1,500,606.65**

Garfinkle	3/15/2012	30000	$ 26.0093	$780,279.00
	2/25/2013	12467	$ 37.8529	$471,912.10
	2/26/2013	733	$ 37.9250	$27,799.03
	2/26/2013	11250	$ 37.9250	$426,656.25
	3/4/2014	24568	$ 33.6780	$827,401.10
	1/4/2016	11345	$ 26.2400	$297,692.80
	TOTAL:	**90,363**		**$2,831,740.28**

Mullenger	7/1/2013	25000	$ 33.0335	$825,837.50
	7/2/2013	25000	$ 32.1622	$804,055.00
	7/3/2013	25000	$ 31.8817	$797,042.50
	7/15/2013	25000	$ 33.3530	$833,825.00
	7/16/2013	25000	$ 32.8901	$822,252.50
	7/17/2013	25000	$ 32.9464	$823,660.00
	7/29/2013	25000	$ 33.3236	$833,090.00
	7/30/2013	25000	$ 33.5516	$838,790.00
	7/31/2013	25000	$ 33.0939	$827,347.50
	8/12/2013	25000	$ 34.6070	$865,175.00
	8/13/2013	25000	$ 34.2610	$856,525.00

Insider	Transaction Date	Shares	Price	Proceeds
	8/14/2013	25000	$ 33.9660	$849,150.00
	8/26/2013	9364	$ 33.9650	$318,048.26
	TOTAL:	**309,364**		**$10,294,798.26**
	GRAND TOTAL:	**961,099**		**$33,478,016.62**

DUTIES OF THE INDIVIDUAL DEFENDANTS

Fiduciary Duties

107. By reason of their positions as officers, directors, and/or fiduciaries of CCA and because of their ability to control the business and corporate affairs of CCA, the Individual Defendants owed and owe the Company and its shareholders fiduciary obligations of trust, loyalty, good faith, and due care, and were and are required to use their utmost ability to control and manage CCA in a fair, just, honest, and equitable manner. The Individual Defendants were and are required to act in furtherance of the best interests of CCA and its shareholders so as to benefit all shareholders equally and not in furtherance of their personal interest or benefit.

108. Each director and officer of the Company owes to CCA and its shareholders the fiduciary duty to exercise good faith and diligence in the administration of the affairs of the Company and in the use and preservation of its property and assets, and the highest obligations of fair dealing.

109. In addition, as officers and/or directors of a publicly held company, the Individual Defendants had a duty to promptly disseminate accurate and truthful information with regard to the Company's financial and business prospects so that the market price of the Company's stock would be based on truthful and accurate information.

Audit Committee Duties

110. In addition to these duties, the members of the Audit Committee owed specific duties to CCA under the Audit Committee's Charter to review and approve quarterly and annual financial statements and earnings press releases, and to ensure that the Company had appropriate and effective internal controls over financial reporting.

111. Specifically, according to CCA's Audit Committee Charter, the Audit Committee's responsibilities include the principal functions of assisting the Board in its oversight of:

- the integrity of the Company's financial statements;
- the Company's compliance with legal and regulatory requirements;
- the independent auditor's qualifications and independence;
- the performance of the Company's internal audit function and independent auditors; and
- to prepare the report the rules of the Securities and Exchange Commission (the "SEC") require be included in the Company's annual proxy statement.

112. Specifically, regarding financial statements and disclosures, the members of the Audit Committee owed specific duties to Cognizant under the Audit Committee Charter to:

- Review and discuss with the Company's management and independent auditor the Company's audited financial statements, including the Company's specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," and the matters about which Statement on Auditing Standards No. 61 (Codification of Statements on Auditing Standards, AU §380) requires discussion;
- consider whether it will recommend to the Board of Directors that the Company's audited financial statements be included in the Company's Annual Report on Form 10-K;
- prepare or cause to be prepared for inclusion where necessary in a proxy or information statement of the Company relating to an annual meeting of

stockholders at which directors are to be elected (or special meeting or written consents in lieu of such meeting), the report described in Item 407(d)(3)(i) of Regulation S-K;

- direct the independent auditor to use its best efforts to perform all reviews of interim financial information prior to disclosure by the Company of such information and to discuss promptly with the Committee and the Company's Chief Financial Officer any matters identified in connection with the auditor's review of interim financial information which are required to be discussed by Statement on Auditing Standards Nos. 61, 71, and 90. The Committee shall direct management to advise the Committee in the event that the Company proposes to disclose interim financial information prior to completion of the independent auditor's review of interim financial information;

- review and discuss generally the types of information disclosed in the Company's earnings press releases (including any use of "pro forma" or "adjusted" non-GAAP information), as well as financial information and earnings guidance provided to analysts and rating agencies; and

- review and discuss with the Company's management and independent auditor the Company's quarterly financial statements, including the Company's specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations."

113. The members of the Audit Committee also owed specific duties to CCA under the Audit Committee Charter to oversee the work of the independent auditor. Specifically, the Committee was required to:

- obtain and review the reports required to be made by the independent auditor pursuant to paragraph (k) of Section 10A of the Exchange Act regarding: (i) critical accounting policies and practices; (ii) alternative treatments of financial information within generally accepted accounting principles ("GAAP") that have been discussed with Company management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor; and (iii) other material written communications between the independent auditor and Company management, such as any management letter or schedule of unadjusted differences; and

- review with the independent auditor: (i) audit problems or difficulties the independent auditor encountered in the course of the audit work and management's response, including any restrictions on the scope of the independent auditor's activities or on access to requested information and any significant disagreements with management; (ii) major issues as to the

> adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies; (iii) analyses prepared by management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements; (iv) the effect of regulatory and accounting initiatives, as well as off balance sheet structures, on the financial statements of the Company; and (v) where necessary or appropriate, the items referenced in the Commentary to NYSE Rule 303A.07(c)(iii)(F).

114. Further, regarding internal controls, the members of the Audit Committee owed specific duties to CCA under the Audit Committee Charter to coordinate the Board of Directors' oversight of the Company's internal control over financial reporting, disclosure controls and procedures, and code of conduct.

115. Upon information and belief, the Company maintained an Audit Committee Charter during the Relevant Period that imposed the same, or substantially and materially the same or similar, duties on the members of the Audit Committee as those set forth above.

Duties Pursuant to the Company's Code of Conduct and Ethics

116. Additionally, the Individual Defendants, as officers and/or directors of CCA, are bound by the Company's Code of Ethics and Business Conduct (the "Code") which, according to the guidebook to the Code included on the Company's website, "reflects the CCA Way and contains policies and standards that are critical to our ability to live up to these values as individuals and as an organization." Each director and employee of CCA is covered by the Code.

117. Upon information and belief, the Company maintained a version of the Code during the Relevant Period that imposed the same, or substantially and materially the same or similar, duties on, among others, the Board as those set forth above.

Control, Access, and Authority

118. The Individual Defendants, because of their positions of control and authority as directors and/or officers of CCA, were able to and did, directly and/or indirectly, exercise control over the wrongful acts complained of herein, as well as the contents of the various public statements issued by CCA.

119. Because of their advisory, executive, managerial, and directorial positions with CCA, each of the Individual Defendants had access to adverse, non-public information about the financial condition, operations, and improper representations of CCA.

120. At all times relevant hereto, each of the Individual Defendants was the agent of each of the other Individual Defendants and of CCA, and was at all times acting within the course and scope of such agency.

Reasonable And Prudent Supervision

121. To discharge their duties, the officers and directors of CCA were required to exercise reasonable and prudent supervision over the management, policies, practices, and controls of the financial affairs of the Company. By virtue of such duties, the officers and directors of CCA were required to, among other things:

(a) ensure that the Company complied with its legal obligations and requirements, including acting only within the scope of its legal authority and disseminating truthful and accurate statements to the investing public;

(b) conduct the affairs of the Company in an efficient, business-like manner so as to make it possible to provide the highest quality performance of its business to avoid wasting the Company's assets, and to maximize the value of the Company's stock;

(c) properly and accurately guide shareholders and analysts as to the true financial and business prospects of the Company at any given time, including making accurate statements about the Company's business and financial prospects and internal controls;

(d) remain informed as to how CCA conducted its operations, and, upon receipt of notice or information of imprudent or unsound conditions or practices, make reasonable inquiry in connection therewith, and take steps to correct such conditions or practices and make such disclosures as necessary to comply with securities laws; and

(e) ensure that CCA was operated in a diligent, honest, and prudent manner in compliance with all applicable laws, rules, and regulations.

BREACHES OF DUTIES

122. Each Individual Defendant, by virtue of his or her position as a director and/or officer, owed to CCA and its shareholders the fiduciary duties of loyalty and good faith, and the exercise of due care and diligence in the management and administration of the affairs of CCA, as well as in the use and preservation of its property and assets. The conduct of the Individual Defendants complained of herein involves a knowing and culpable violation of their obligations as directors and officers of CCA, the absence of good faith on their part, and a reckless disregard for their duties to CCA and its shareholders that the Individual Defendants were aware or should have been aware posed a risk of serious injury to CCA.

123. The Individual Defendants each breached their duties of loyalty and good faith by allowing Defendants to cause, or by themselves causing, the Company to make false and/or

misleading statements that misled shareholders into believing that disclosures related to the Company's financial and business prospects were truthful and accurate when made.

124. In addition, as a result of the Individual Defendants' illegal actions and course of conduct, the Company is now the subject of the Securities Class Action that alleges violations of the federal securities laws. As a result, CCA has expended, and will continue to expend, significant sums of money to rectify the Individual Defendants' wrongdoing.

CONSPIRACY, AIDING AND ABETTING, AND CONCERTED ACTION

125. In committing the wrongful acts alleged herein, the Individual Defendants have pursued, or joined in the pursuit of, a common course of conduct, and have acted in concert with and conspired with one another in furtherance of their wrongdoing. The Individual Defendants further aided and abetted and/or assisted each other in breaching their respective duties.

126. During all times relevant hereto, the Individual Defendants collectively and individually initiated a course of conduct that was designed to mislead shareholders into believing that the Company's business and financial prospects were better than they actually were. In furtherance of this plan, conspiracy, and course of conduct, the Individual Defendants collectively and individually took the actions set forth herein.

127. The purpose and effect of the Individual Defendants' conspiracy, common enterprise, and/or common course of conduct was, among other things, to: (a) disguise the Individual Defendants' violations of law, including breaches of fiduciary duties and unjust enrichment; and (b) disguise and misrepresent the Company's actual business and financial prospects.

128. The Individual Defendants accomplished their conspiracy, common enterprise, and/or common course of conduct by causing the Company to purposefully, recklessly, or

negligently release improper statements. Because the actions described herein occurred under the authority of the Board, each of the Individual Defendants was a direct, necessary, and substantial participant in the conspiracy, common enterprise, and/or common course of conduct complained of herein.

129. Each of the Individual Defendants aided and abetted and rendered substantial assistance in the wrongs complained of herein. In taking such actions to substantially assist the commissions of the wrongdoing complained of herein, each Individual Defendant acted with knowledge of the primary wrongdoing, substantially assisted the accomplishment of that wrongdoing, and was aware of his or her overall contribution to and furtherance of the wrongdoing.

DAMAGES TO CCA

130. As a result of the Individual Defendants' wrongful conduct, CCA disseminated false and misleading statements and omitted material information to make such statements not false and misleading when made. The improper statements have devastated CCA's credibility. CCA has been, and will continue to be, severely damaged and injured by the Individual Defendants' misconduct.

131. As a direct and proximate result of the Individual Defendants' actions as alleged above, CCA's market capitalization has been substantially damaged, losing hundreds of millions of dollars in value as a result of the conduct described herein.

132. Further, as a direct and proximate result of the Individual Defendants' conduct, CCA has expended and will continue to expend significant sums of money. Such expenditures include, but are not limited to:

(a) costs incurred in investigating and defending CCA and certain officers in the pending Securities Class Action, plus potentially millions of dollars in settlement or to satisfy an adverse judgment;

(b) costs incurred from compensation and benefits paid to the Individual Defendants, which compensation was based at least in part on CCA's artificially-inflated stock price; and

(c) costs incurred from the loss of the Company's customers' confidence in CCA's products.

133. Moreover, these actions have irreparably damaged CCA's corporate image and goodwill. For at least the foreseeable future, CCA will suffer from what is known as the "liar's discount," a term applied to the stocks of companies who have been implicated in illegal behavior and have misled the investing public, such that CCA's ability to raise equity capital or debt on favorable terms in the future is now impaired.

DERIVATIVE AND DEMAND ALLEGATIONS

134. Plaintiff brings this action derivatively in the right and for the benefit of CCA to redress injuries suffered, and to be suffered, by CCA as a direct result of the Individual Defendants' breaches of fiduciary duties and unjust enrichment, as well as the aiding and abetting thereof, by the Individual Defendants. CCA is named as a nominal defendant solely in a derivative capacity.

135. Plaintiff will adequately and fairly represent the interests of CCA in enforcing and prosecuting its rights.

136. Plaintiff was a shareholder of CCA common stock at the time of the wrongdoing of which Plaintiff complains, and has been continuously since.

137. Before filing this derivative action, Plaintiff first demanded that the Board take action to investigate the misconduct and, if warranted, to commence litigation against the

Individual Defendants. On September 8, 2016, in accordance with Maryland law, Plaintiff made the Demand on the Board to investigate and address the misconduct and, if warranted, to commence litigation against the Individual Defendants. A copy of Plaintiff's Demand is attached hereto as Exhibit A.

138. As of the date of filing, Plaintiff's efforts have been refused. There has been no indication that the Board ever appointed an independent committee, retained independent counsel or other independent advisors, nor otherwise took any meaningful action whatsoever to investigate the allegations set forth in the Demand. The Board has not responded to the Demand, has not indicated that it is conducting any investigation into the misconduct of the Individual Defendants, and has not commenced litigation against any of the Individual Defendants.

139. At the time this action was commenced, the Board of CCA consisted of the following ten (10) directors: Hininger, Alvarado, Dennis, Emkes, Jacobi, Mariucci, Marshall, Overby, Prann, and non-defendant Hylton.

140. The Director Defendants face a substantial likelihood of liability for their individual misconduct. The Director Defendants were directors during the Relevant Period, and as such had a fiduciary duty to ensure that the Company's SEC filings, press releases, and other public statements and presentations on behalf of the Company concerning its financial and business prospects were accurate.

141. Given that the Board has provided no response to Plaintiff's lawful Demand, Plaintiff reasonably believes that the Board's refusal of the Demand is unreasonable and that the Individual Defendants have failed to conduct a reasonable inquiry and failed to act in good faith, on an informed basis, or in the honest belief that the refusal was in the best interest of the

Company. Therefore, Plaintiff reasonably believes that the Board's refusal is not a valid exercise of business judgment.

142. CCA has been and will continue to be exposed to significant losses due to the Individual Defendants' wrongdoing. Yet, the Director Defendants have not filed any lawsuits against any persons who were responsible for the wrongful conduct. Thus, the Director Defendants continue to breach their fiduciary duties to the Company and face a sufficiently substantial likelihood of liability for their breaches.

143. If CCA's current officers and directors are protected against personal liability for their breaches of fiduciary duties alleged in this Complaint by Directors & Officers Liability Insurance ("D&O Insurance"), they caused the Company to purchase that insurance for their protection with corporate funds, *i.e.*, monies belonging to the shareholders. However, Plaintiff is informed and believes that the D&O Insurance policies covering the Individual Defendants in this case contain provisions that eliminate coverage for any action brought directly by CCA against the Individual Defendants, known as the "insured versus insured exclusion."

144. As a result, if the Director Defendants were to sue themselves or certain of the officers of CCA, there would be no D&O Insurance protection, and thus, this is a further reason why they will not bring such a suit. On the other hand, if the suit is brought derivatively, as this action is brought, such insurance coverage exists and will provide a basis for the Company to effectuate recovery. Therefore, the Director Defendants cannot be expected to file the claims asserted in this derivative lawsuit because such claims would not be covered under the Company's D&O Insurance policy.

145. Plaintiff has not made any demand on shareholders of CCA to institute this action since such demand would be a futile and useless act for the following reasons:

(a) CCA is a publicly traded company with thousands of shareholders of record and at least hundreds of thousands of beneficial owners;

(b) Making demand on such a number of shareholders would be impossible for Plaintiff, who has no means of collecting the names, addresses, or phone numbers of CCA shareholders; and

(c) Making demand on all shareholders would force Plaintiff to incur excessive expenses and obstacles, assuming all shareholders could even be individually identified with any degree of certainty.

146. Given the Board's refusal to investigate the misconduct or to take action to remedy the harms caused to the Company, constituting an unreasonable refusal of Plaintiff's lawful Demand, Plaintiff now files this Complaint.

COUNT I

Against the Individual Defendants for Violations of Section 14(a) of The Securities Exchange Act of 1934

147. Plaintiff incorporates by reference and realleges each and every allegation contained above, as though fully set forth herein.

148. Rule 14a-9, promulgated pursuant to Section 14(a) of the Exchange Act, provides that no proxy statement shall contain "any statement which, at the time and in the light of the circumstances under which it is made, is false or misleading with respect to any material fact, or which omits to state any material fact necessary in order to make the statements therein not false or misleading." 17 C.F.R. § 240.14a-9.

149. The Company's 2012, 2013, 2014, and 2015 Proxy Statements violated Section 14(a) and Rule 14a-9 by misrepresenting or failing to disclose that: (i) CCA's facilities lacked adequate safety and security standards and were less effective at offering correctional

services than facilities operated by the BOP; (ii) CCA's rehabilitative services for inmates were less effective than those provided by BOP; (iii) consequently, the DOJ was unlikely to renew or extend its contracts with the Company; and (iv) as a result of the foregoing, CCA's public statements were materially false and misleading at all relevant times.

150. In the exercise of reasonable care, the Individual Defendants should have known that by misrepresenting or failing to disclose these material facts, the statements contained in these Proxy Statements were materially false and misleading. The misrepresentations and omissions were material to Plaintiff in voting on the matters set forth for shareholder determination in the Proxy Statements, including but not limited to, election of directors, approval of officer compensation, and appointment of independent auditor.

151. The Company was damaged as a result of Defendants' material misrepresentations and omissions in the Proxy Statements.

COUNT II

Against the Individual Defendants for Breach of Fiduciary Duties

152. Plaintiff incorporates by reference and realleges each and every allegation contained above, as though fully set forth herein.

153. The Individual Defendants owed and owe CCA fiduciary obligations. By reason of their fiduciary relationships, the Individual Defendants owed and owe CCA the highest obligation of good faith, fair dealing, loyalty, due care, reasonable inquiry, oversight, and supervision.

154. The Individual Defendants violated and breached their fiduciary duties of good faith, fair dealing, loyalty, due care, reasonable inquiry, oversight, and supervision.

155. The Individual Defendants each knowingly, recklessly, or negligently: (i) made false or misleading statements that misrepresented or failed to disclose material information

concerning the Company; (ii) approved the issuance of such false and/or misleading statements; (iii) failed to take actions to correct such false and/or misleading statements after they had been disseminated by the Company; (iv) failed to act independently and with due care in rejecting the Demand; and/or (v) failed to address the misconduct. These actions could not have been a good faith exercise of prudent business judgment to protect and promote the Company's corporate interests.

156. As a direct and proximate result of the Individual Defendants' failure to perform their fiduciary obligations, CCA has sustained significant damages. As a result of the misconduct alleged herein, the Individual Defendants are liable to the Company.

157. Plaintiff, on behalf of CCA, has no adequate remedy at law.

COUNT III

Against the Individual Defendants for Unjust Enrichment

158. Plaintiff incorporates by reference and realleges each and every allegation contained above, as though fully set forth herein.

159. By their wrongful acts and omissions, Defendants were unjustly enriched at the expense of and to the detriment of CCA.

160. The Individual Defendants were unjustly enriched as a result of the compensation they received while breaching their fiduciary duties owed to CCA.

161. Plaintiff, as a shareholder and representative of CCA, seeks restitution from Defendants and seeks an order from this Court disgorging all profits, benefits, and other compensation obtained by Defendants from their wrongful conduct and fiduciary breaches.

162. Plaintiff, on behalf of CCA, has no adequate remedy at law.

COUNT IV

Against the Individual Defendants for Waste of Corporate Assets

163. Plaintiff incorporates by reference and realleges each and every allegation contained above, as though fully set forth herein.

164. The wrongful conduct alleged regarding the issuance of false and misleading statements was continuous, connected, and on-going throughout the Relevant Period. It resulted in continuous, connected, and on-going harm to the Company.

165. As a result of the misconduct described above, the Individual Defendants wasted corporate assets by: (i) by paying excessive compensation, bonuses, and termination payments to certain of its executive officers; (ii) awarding self-interested stock options to certain officers and directors; and (iii) incurring potentially millions of dollars of legal liability and/or legal costs to defend the Individual Defendants' unlawful actions.

166. As a result of the waste of corporate assets, the Individual Defendants are liable to the Company.

167. Plaintiff, on behalf of CCA, has no adequate remedy at law.

COUNT V

Against the Insider Selling Defendants for Breach of Fiduciary Duty for Insider Selling and Misappropriation of Information

168. Plaintiff incorporates by reference and realleges each and every allegation contained above, as though fully set forth herein.

169. At the time the Insider Selling Defendants sold their CCA stock, they knew the information described above, and sold CCA stock on the basis of such information.

170. The information described above was proprietary non-public information concerning the Company's financial condition and future business prospects. It was a proprietary asset belonging to the Company, which the Insider Selling Defendants misappropriated to their own benefit when they sold CCA stock.

171. The Insider Selling Defendants' sales of stock while in possession and control of this material, adverse, non-public information was a breach of their fiduciary duties of loyalty and good faith.

172. Since the use of the Company's proprietary information for their own gain constitutes a breach of the Insider Selling Defendants' fiduciary duties, the Company is entitled to the imposition of a constructive trust on any profits the Insider Selling Defendants obtained thereby.

173. Plaintiff, on behalf of CCA, has no adequate remedy at law.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff demands judgment as follows:

A. Against all Defendants for the amount of damages sustained by the Company as a result of Defendants' violations of federal law, breaches of fiduciary duties, unjust enrichment, waste of corporate assets, and insider selling;

B. Directing CCA to take all necessary actions to reform and improve its corporate governance and internal procedures to comply with applicable laws and to protect CCA and its shareholders from a repeat of the damaging events described herein, including but not limited to putting forward for shareholder vote resolutions for amendments to the Company's By-Laws or Articles of Incorporation, and taking such other action as may be necessary to place before shareholders for a vote the following corporate governance proposals or policies:

- a proposal to strengthen the Board's supervision of operations and compliance with applicable state and federal laws and regulations;

- a proposal to strengthen the Company's internal reporting and financial disclosure controls;

- a provision to strengthen the Company's oversight and controls over insiders' purchase and sale of Company stock;

- a proposal to require an independent Chairman of the Board;

- a provision to permit shareholders of CCA to nominate at least three candidates for election to the Board to replace existing directors;

- a proposal to develop and implement procedures for greater shareholder input into the policies and guidelines of the Board;

- a proposal to ensure the accuracy of the qualifications of CCA's directors, executives and other employees;

- a proposal to strengthen the Company's procedures for the receipt, retention, and treatment of complaints received by the Company regarding internal controls; and

- a provision to appropriately test and then strengthen the Company's internal operational control functions;

C. Awarding to CCA restitution from the Individual Defendants, and ordering disgorgement of all profits, benefits, and other compensation obtained by the Individual Defendants;

D. Awarding to Plaintiff the costs and disbursements of the action, including reasonable attorneys' fees, accountants' and experts' fees, costs, and expenses; and

E. Granting such other and further relief as the Court deems just and proper.

/ / /

/ / /

JURY DEMAND

Plaintiff demands a trial by jury.

DATED: November 28, 2016

Respectfully submitted,

/s/ Jonathan Bobbitt
JONATHAN BOBBITT

GILBERT RUSSELL MCWHERTER SCOTT BOBBITT PLC
341 Cool Springs Boulevard, Suite 230
Franklin, TN 97067
Telephone: (615) 354-1144
Facsimile: (731) 664-1540
Email: jbobbitt@gilbertfirm.com

JOHNSON & WEAVER, LLP
Frank J. Johnson
Kristen O'Connor
600 West Broadway, Suite 1540
San Diego, CA 92101
Telephone: (619) 230-0063
Facsimile: (619) 255-1856
Email: frankj@johnsonandweaver.com
kristeno@johnsonandweaver.com

JOHNSON & WEAVER, LLP
Michael I. Fistel, Jr.
40 Powder Springs Street
Marietta, GA 30064
Telephone: (770) 200-3104
Facsimile: (770) 200-3101
Email: michaelf@johnsonandweaver.com

Attorneys for Plaintiff